FY 2011 Capital Budget TPS Report 53719v3

Agency: Commerce, Community and Economic Development

Grants to Municipalities (AS 37.05.315)

Grant Recipient: Fairbanks North Star Borough

Project Title: Project Type: New Construction and Land Acquisition

Fairbanks North Star Borough - Tanana River Bridge Access for Military Training Grounds, River Training

State Funding Requested: \$40,000,000 House District: Fairbanks Areawide (7-11)

One-Time Need

Brief Project Description:

The Alaska Railroad Corporation and the US Army Alaska are constructing a bridge over the Tanana River to provide year-round access to the joint Army/Air Force training ranges south of the Tanana River. The bridge will also serve as the Railroad crossing site for the Alaska Railroad's extension from Eielson Air Force Base to Delta Junction. The \$40 million request is to complete the funding package for the work on the dike system.

Funding Plan:

Total Cost of Project: \$40,000,000

Funding Secured Other Pending Requests Anticipated Future Need

Amount FY Amount FY Amount FY

Federal Funds \$15,000,000 09 Total \$15,000,000

Detailed Project Description and Justification:

The Alaska Railroad Corporation and the US Army Alaska are constructing a bridge over the Tanana River to provide year-round access to the joint Army/Air Force training ranges south of the Tanana River. The bridge will also serve as the Railroad crossing site for the Alaska Railroad's extension from Eielson Air Force Base to Delta Junction. The dual-use bridge will feature a single lane suitable for all army vehicles, along with railroad tracks. The \$40 million request is to complete the funding package for the work on the dike system. The Tanana River at Salcha experiences yearly flooding events usually through ice jams.

The Alaska Railroad Corporation has received \$116 million in Federal funding from several federal defense appropriations bills over the last 4 years. This \$40 million from the State is expected to fully fund the project and enable construction. If work does not begin shortly the federal funds the ARRC has in place may be lost to other defense needs.

Need for River Training

The Tanana River at Salcha is characterized by unstable banks, numerous side channels, and a long-term pattern of migrating into the Salcha neighborhoods on the northeast bank. The Salcha neighborhoods between Boondox Bar and Howell Road, on the river side of the Richardson highway, are at low elevation compared to the Tanana River and are at high risk of flooding from the Tanana River and Piledriver Slough. Since the neighborhoods were platted, over 160 acres

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FY 2011 Capital Budget TPS Report 53719v3

have been lost to the river between Boondox Bar and Howell Road. The river reaches an over-bank condition at nealy 2-year return period resulting in flooding due to flow volume as well as frequent ice-jams. This flooding varies from localized to wide spread and occurs on a nearly annual basis.

The Corps of Engineers has attempted to divert the river out of side channels feeding Piledriver Slough to protect these neighborhoods from flooding. The channel plugs have only been marginally effective as the floodwaters continue to circumvent the blockages at the river's edge by flowing overland through Salcha. The water then re-enters Piledriver Slough further downstream. Frequently this volume is beyond it channel capacity resulting in further flooding downstream.

In addition, the DOT has built an extensive riprap revetment designed to protect the Richardson highway from river migration. This structure was designed for bank protection only, and is regularly overtopped by flood water.

The proposed bridge across the Tanana River would slightly constrict the active channel, and piers in the river may accumulate debris or ice at times, leading to a potential for increased flood elevations upstream. A flood control levee is proposed to mitigate this impact. The design of the levee, extending upstream beyond the effects of the purposed bridge structure and tying into the Richardson Highway, will prevent the overbank flow of flood waters from the Tanana River from reaching a large amount of property in the Salcha area. It will further limit the inundation of Piledriver Slough from Tanana River surface water.

Additionally, the proposed levee would incorporate substantial bank protection, halting the right-bank migration of the river into the immediate populated area.

Project Timeline:

The Alaska Railroad will begin the NEPA process in late 2010 and will complete it within a year. Construction will begin once the NEPA process has been completed and should take around 5 years to complete

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Alaska Railroad Corporation

Grant Recipient Contact Information:

Name: FNSB Mayor Luke T. Hopkins

Address: 809 Pioneer Raod

Fairbanks, AK 99707

Phone Number: (907)459-1300

Email: lhopkins@co.fairbanks.ak.us

Has this project been through a public review process at the local level and is it a community priority? X Yes No

Page 2

Contact Name: Joe Hardenbrook Contact Number: 4653887 For use by Co-chair Staff Only:

The Alaska Railroad Corporation and the US Army Alaska are constructing a bridge over the Tanana River to provide year-round access to the joint Army/Air Force training ranges south of the Tanana River. The bridge will also serve as the Railroad crossing site for the Alaska Railroad's extension from Eielson Air Force Base to Delta Junction. The duel use bridge will feature a single lane suitable for all army vehicles, along with railroad tracks. The \$5 million request is to complete the funding package for the work on the dike system. The Tanana River at Salcha experiences yearly flooding events usually through ice jams.

The Alaska Railroad Corporation has received funding from several federal defense appropriations bills over the last 4 years and need this \$5 million request to begin work on the project. If work does not begin shortly the federal funds the ARC has received may be lost to other defense needs.

Need for River Training

The Tanana River at Salcha is characterized by unstable banks, numerous side channels, and a long-term pattern of migrating into the Salcha neighborhoods on the northeast bank. The Salcha neighborhoods between Boondox Bar and Howell Road, on the river side of the Richardson highway, are at low elevation compared to the Tanana River and are at high risk of flooding from the Tanana River and Piledriver Slough. Since the neighborhoods were platted, over 160 acres have been lost to the river between Boondox Bar and Howell Road. The river reaches an over-bank condition at nealy 2-year return period resulting in flooding due to flow volume as well as frequent ice-jams. This flooding veries from localized to wide spread and occurs on a nearly annual basis.

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Additionally, the proposed levee would incorporate substantial bank protection, halting the right-bank migration of the river into the immediate populated area.



Access to Joint Tanana Military Training Complex

O ECT FACTS

Project Scope

The Alaska Railroad (ARRC) is pursuing an 80-mile railroad extension from North Pole to Delta Junction, which recently completed an Environmental Impact Statement (EIS) review process. A key component the Northern Rail Extension project is rail access over the Tanana River.

The Department of Defense (DOD) has large training areas south of the Tanana River between Fairbanks and Delta Junction. Access to the Joint Tanana Training Complex is currently limited to ice roads during a short period of the year. The DOD and ARRC are pursuing a joint facility that would provide year-round access over the Tanana River.

The project scope would develop access from the Richardson Highway to the Tanana River, construct a crossing of the Tanana River, and place a staging area for military use immediately south of the river, Subsequent rail development would also use this crossing, Preliminary conceptual design includes a single traffic lane combined with rail located somewhere south of Salcha.

Purpose and Need

Access to the Joint Tanana Training Complex would accommodate year-round access to large military training areas. The Army and Air Force both use the Complex, and their presence is expanding. The Complex provides unique opportunities for large scale, combined training of military units.

The extension of the Alaska Railroad to Delta Junction would serve a number of rail users. The Army, in particular, is interested in rail to mobilize military units in and out of the training areas.

Project Benefits

- Provides year-round multi-modal access to joint training areas south of the Tanana River.
- Rail Access would avoid use of military vehicle convoys along the Richardson Highway, thereby reducing congestion, saving fuel and minimizing wear and tear.

Project Status

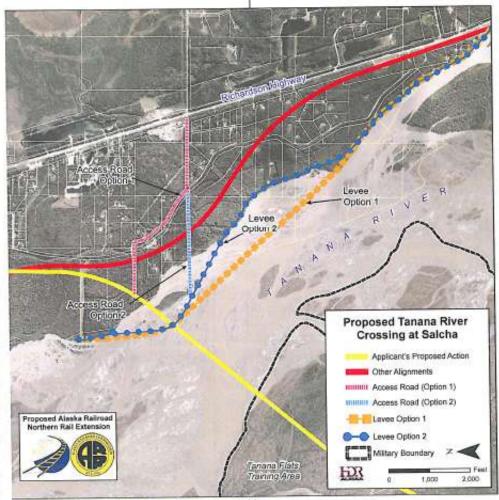
In late September 2009, the Surface Transportation Board (STB) completed the NRE Final EIS, which includes the Tanana crossing. The STB's record of decision is pending and is expected in late October 2009. The decision will pave the way to pursue final design and construction of the range access project. The project is likely to be accomplished in four phases, beginning with the Tanana River crossing.

Cost and Funding

Current funding for the Northern Rail Extension EIS comes from two Federal Railroad Administration (FRA) grants totaling \$16 million. Access to the south side of the Tanana River is the first major segment, and is an essential component, of the Northern Rail Extension. In 2007, an additional \$44.2 was appropriated, and in 2008, an additional \$60 million was appropriated for the Tanana River access phase. These funds will be used to develop final design, obtain permitting, acquire right-of-way, prepare the construction area and procure materials.

09/25/2009





Preliminary design concept for the Tanana River crossing at Salcha.

12

Access to Joint Tanana Military Training Complex

Project Cost Projection (April 2008)

Component	Low (in millions)	Medium (in millions)	High (in millions)
Crossing Structure	\$73.4	\$81.6	\$89.7
Mobilization/ Engineering/Project Management (18%)	\$13.2	\$14.7	\$16.1
Contingency (25%)	\$21.7	\$24.1	\$26.5
Total	\$108.3	\$120.4	\$132.3
River Training	\$23.4	\$26.0	\$28.6
Mobilization/ Engineering/Project Management (18%)	\$4.2	\$4.7	\$5.1
Contingency (25%)	\$6.9	\$7.7	\$8.4
Total	\$34.5	\$38.4	\$42.1

AlaskaRailroad.com





On Board!

VOLUME 4, 1880E 1 OCTOBER 15, 2009

STB Publishes Final Environmental Impact Statement

The Surface Transportation Board (STB) published the final environmental impact statement (FEIS) for the Northern Rail Extension project on September 18, 2009. A Record of Decision is expected by the end of October, completing an environmental review process that began in 2005.

The STB is the federal agency with approval authority over new U.S. rail lines. The EIS process solicited input from the public and cooperating agencies including the U.S. Department of Defense (DOD), U.S. Air Force (Eielson AFB), Federal Transit Administration, Bureau of Land Management, Army Corps of Engineers, U.S. Coast Guard, and Alaska Department of Natural Resources.

The FEIS recommends a final route and measures to mitigate impacts from rail line construction. Maps of the initial and refined route options are available on the project Web site: www.northernrailextension.com/routes.htm.

Mitigation includes habitat restoration, bridge/culvert design to preserve water flow



and patterns, construction timed to minimize wildlife impacts, and hiring a community liaison. FEIS Chapter 2 lists mitigation details.

(Story continued on Page 2)

PAGE 2 VOLUME 4, ISSUE 1

Right-of-Way: What Landowners Should Know

Even before the Surface Transportation Board (STB) held scoping meetings in preparation for initiating the environmental review process, the Alaska Railroad met with stakeholders and landowners in the North Pole, Eielson Farm, Salcha and Delta Junction communities to listen to property owner concerns, ideas and issues. Meetings with landowner groups and individuals have continued throughout the EIS process with a goal to minimize property impacts. Even so, some property acquisition will be necessary to accommodate the new right-of-way (ROW).

Through the final design, the Alaska Railroad is committed to working with each affected property owner on a case-by-case basis. Landowners should understand that ROW acquisition involves a series of steps: ROW acquisition begins with good faith negotiations and a fair appraisal. An independent, impartial and qualified appraiser will be hired to determine fair market value (FMV).

Property owners are entitled to receive just compensation, which cannot be less than the FMV. Eligible displaced property owners and tenants may also be entitled to displacement or relocation benefits.

The ROW acquisition process will be conducted in accordance with the Uniform Relocation Act, a federal law that requires equitable treatment of people displaced from homes, businesses or farms due to federal or federally-funded projects or programs. The act's language is available online at www.access.gpo.gov/uscode/title42/chapter61_.html.

Final EIS (continued from Page 1)

The STB will post its final decision on the STB Web site's Alaska environmental project page: http://www.stb.dot.gov/stb/environment/key_cases_alaska.html

Once the decision is made, the Alaska Railroad Corporation (ARRC) can begin final design, state and federal agency permitting, and construction. The project will likely be accomplished in phases, with construction of Phase One expected to begin in 2010.

Phase One: Tanana River crossing at Salcha

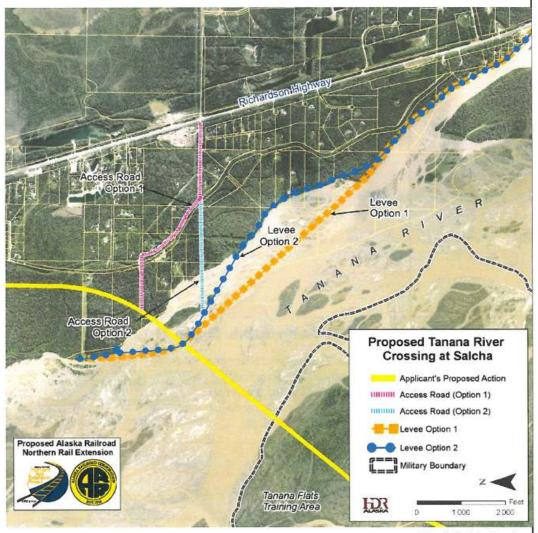
Phase Two: Extend rail from North Pole to Salcha

Phase Three: Extend rail from Salcha to Donnelly Military Training Area

Phase Four: Extend rail from Donnelly to Delta Junction

Approximately \$105 million in DOD appropriations (2007 and 2008) is available to complete design and begin permitting and construction of Phase One. Later phases will follow, pending funding, which may include additional DOD appropriations, other federal grants, or revenue bonds.

ON BOARD! PAGE 3



Detail: Salcha Crossing



Northern Rail Extension

Project Description

The Alaska Railroad Corporation (ARRC) proposes to construct and operate a new rail line in the area between North Pole and Delta Junction. The project would involve approximately 80 miles of new rail line connecting the existing Eielson Branch rail line at the Chena River Overflow Structure to a point near Delta Junction. The proposed rail line would provide freight and potentially passenger rail services serving commercial interests and communities in or near the project corridor.

The new rail line would be operated as part of the Alaska Railroad system. As a common carrier, the line would be available to the general public, commercial, and military shippers including agricultural and resource development businesses. With a top design speed of 79 miles per hour for passenger trains, the track could support public



Area map showing the military training areas south and west of the Tanana River.

transit operations between Fairbanks, North Pole, Salcha and Delta Junction.

In order to fulfill transport needs and avoid mountainous terrain along the northeast bank of the Tanana River, the project requires a Tanana River crossing. The new rail line may also cross the Salcha, Little Delta and Delta Rivers, as well as Delta Creek.

The project includes sufficient engineering and analysis to support the development of an Environ mental Impact Statement (EIS) as required by the National Environmental Policy Act (NEPA). This work consists of identifying and analyzing feasible alignment alternatives, completing engineering design on alternatives selected for review in the EIS, and estimating anticipated construction costs.

Purpose and Need

The Northern Rail Extension Project would provide essential freight and passenger service to support transportation and mobility needs of the region. Specifically, the project may provide any or all of the following:

- Commercial freight service supporting communities and commerce in or near the rail corridor, including existing agricultural, mining, and petrochemical industries, thus reducing reliance and wear and tear on the Richardson Highway. Currently, both the agricultural community located near Delta Junction and mineral resource industries in the area receive materials that are initially shipped by rail. Materials must be off-loaded in or near Fairbanks, and then transported by truck via the Richardson Highway.
- Transportation alternative to the Richardson Highway for passenger transportation, with scheduled station stops proposed between Fairbanks and Delta Junction by way of North Pole and other communities. Passenger rail

09/25/2009



- service would be available for citizens, military personnel, contractors, and dependent families who wish to travel for work, shopping, medical, educational, or other reasons.
- Military support. Depending on military requirements, the rail line could provide access to military property west of the Tanana River and provide transportation alternatives to support military training exercises. Future training needs and uses for these training lands are currently being evaluated.
- Support regional tourism. Tourism is a major industry in Alaska and the rail line would provide further opportunities for visitors to enjoy the Alaska environment.

Benefits

- Common carrier rail service would provide for bulk transport of goods to and from existing agricultural developments, mineral resource developments, and other business enterprises.
 Freight and transit services in the area would enhance opportunities for economic expansion in a relatively isolated area of the state. The tourism support provided by the Alaska Railroad to other parts of the system could potentially be expanded to Delta Junction and provide additional opportunities to see Alaska by rail.
- Additional communities within Interior Alaska would be connected by rail to three ports, including the Port of Anchorage, recently designated as one of 15 strategic ports in the nation.
- Public transit would facilitate additional choices for families and individuals who desire safe, reliable, year-round transportation opportunities between the Delta Junction and Fairbanks areas. Rail transit would be an alternative to driving the Richardson Highway, which can present hazardous driving conditions during the long, dark, icy winter months.
- The rail extension could assist the military in accessing training facilities within the project corridor.

Status/Timeline

- Late 2004, ARRC initiated project conceptual development.
- April 2005, the Surface Transportation Board (STB), the lead federal agency, selected ICF Consulting as the independent third party contractor to prepare the EIS, under the STB's direction.
- November 2005, STB published a "Notice of Intent" in the Federal Register.
- December 2005, STB held public and agency scoping meetings.
- December 2008, Draft EIS is released for public review. Public meetings held mid-January in Fairbanks, North Pole, Salcha and Delta Junction.
 Public comment period ended February 2, 2009.
- STB posts Final EIS September 18, 2009.
 FEIS is available for review on the STB web site at http://www.stb.dot.gov/stb/environment/key_cases_alaska.html. Scroll down to the links for both the Final EIS and Draft EIS.
- The STB final EIS Record of Decision is expected in late October 2009.

Next Steps

- Once the STB's final decision is made, ARRC can move forward with final design and construction. The project will likely progress in four phases, as funding allows:
 - · Phase One Tanana River crossing at Salcha
 - Phase Two Rail construction from Moose Creek near North Pole to the Salcha crossing
 - Phase Three Rail construction from the Salcha crossing to the Donnelly Military Training Area
 - Phase Four Donnelly to Delta Junction

Cost and Funding

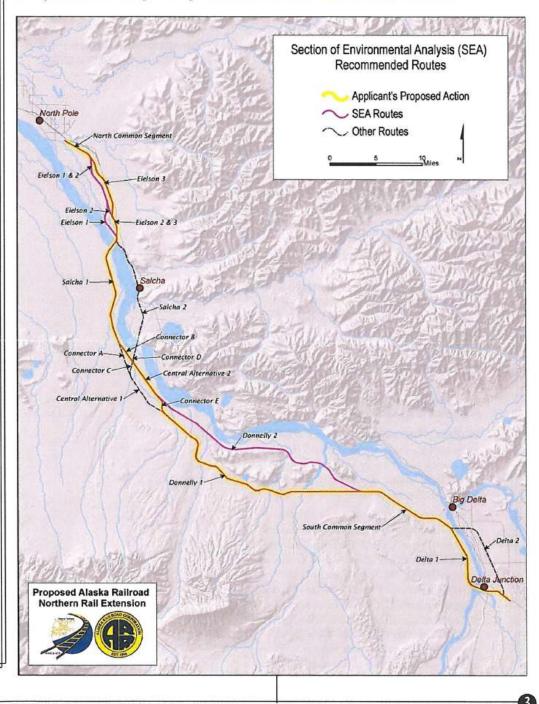
 Preliminary engineering and design and NEPAmandated environmental assessments and documentation were included in a \$12.5 million budget from an initial Department of Defense (DOD) appropriation in 2005 that was administered as a grant through the Federal Railroad

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Northern Rail Extension



Project Area Map: Proposed and Recommended Routes



Northern Rail Extension



- Administration (FRA). DOD appropriations in 2007 included an additional \$4 million for the NEPA and preliminary engineering work.
- The 2008 DOD appropriations included \$44.2 million for the initial planning, engineering, environmental work, design and construction to provide year-round access to the military's one-million-acre Joint Tanana Training Complex.
- The 2009 DOD appropriation included an additional \$60 million for the Tanana River crossing.
- Construction costs for the rail line is estimated to be between \$650 and \$850 million, Funding sources may include federal appropriations and financing via the sale of revenue bonds that are secured by advance shipping contracts.

Project Participants

There are a number of players involved with the Northern Rail Extension:

- The Surface Transportation Board (STB) is is the approval authority for all new rail line construction in the United States. As such, the STB is the lead federal agency on the project and oversaw the EIS process.
- The Alaska Railroad Corporation (ARRC) is a self sustaining corporation owned by the State of Alaska. ARRC is the project sponsor of the Northern Rail Extension project.
- The Federal Railroad Administration (FRA) is a cooperating agency with the STB and the administrating agency for the federal grant funding the EIS development. The FRA provides technical oversight for the project.
- Cooperating Federal Agencies. In addition to the FRA the following federal agencies will be cooperating on the EIS; The Federal Transit Administration (FTA), The Bureau of Land Management (BLM), The Alaska Command (ALCOM), The U.S. Air Force (USAF) 354th Fighter Wing (Stationed at Eielson Air Force Base), The U.S. Army Corps of Engineers (USACE), and the U.S. Cost Guard (USCG). These agencies provided review and comment on various aspects of the project throughout the development of the EIS.

For more information

- E-mail to public_comment@akrr.com
- visit www.northernrailextension.com
- Contact ARRC Public Involvement Officer Stephenie Wheeler at (907) 265-2671

Northern Rail Extension

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1 2 3 4	By: FNSB Assembly Introduced: 11/12/09 Amended: 11/12/09 Adopted: 11/12/09				
5	Adopted: 11/12/09				
6	EAIDDANIKS NODTH STAD DODOUGH				
7 8	FAIRBANKS NORTH STAR BOROUGH				
9	RESOLUTION NO. 2009-40				
10	A RESOLUTION IDENTIFYING AND SUPPORTING LEGISLATIVE PRIORITIES				
11	A RESOLUTION IDENTIFTING AND SUPPORTING LEGISLATIVE PRIORITIES				
12 13 14	WHEREAS, the Fairbanks North Star Borough Assembly identifies and supports the following legislative priorities for 2010.				
15	Continued funding for Devenue Charing				
16 17	 Continued funding for Revenue Sharing Carlson Activity Center (CAC) Phase 2 improvements 				
18	FMATS funding				
19	Water, sewer and infrastructure for public facilities				
20	Road Service Area funding				
21	Tanana Lakes Infrastructure				
22	 Human Services Community Matching Grant Increase 				
23	 Funding for a cost and design study for a natural gas distribution 				
24	system for the Fairbanks North Star Borough				
25	Life sciences innovation and learning facility				
26	Fairbanks Pipeline Training Center's Capital Request				
27	 Matching Grant Request for Raven Landing Senior Community Center 				
28 29	F. I. B. F. J. B. J. A. B. J. F. B.				
30	 Fairbanks Regional Dispatch Center & Borough EOC Amend Alaska Statutes to allow Emergency Mutual Aid 				
31	South Davis Park Improvements				
32	Fairbanks North Star Borough Animal Shelter Improvements				
33	Tanana River Bridge Access for Military Training Grounds				
34					
35	NOW, THEREFORE, BE IT RESOLVED, that the Fairbanks North Star				
36	Borough Assembly supports these legislative priorities.				
37	DE IT FURTUER RECOLVER # 4				
38	BE IT FURTHER RESOLVED that copies of this resolution shall be sent to				
39 40	the Alaska Interior Delegation, the Honorable Governor Sean Parnell and the Alaska Congressional Delegation.				
41	Congressional Delegation.				

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Nadine Winters Presiding Officer

ATTEST:

Mona Lisa Drexler, MMC Municipal Borough Clerk

43 44

45 Ayes: Brown, Beck, Blanchard II, Musick, Sattley, Stringer, Hopkins, Winters

46 Noes: Wilson